

ACCOUNTING POLICY

TOPIC: Section 8--Capital Assets 1.0	EFFECTIVE DATE: 11/19/86
TITLE: Capital and Non-Capital Asset and Inventory Systems	REVISION DATE: 9/24/04
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POLICY

Department of Health and Family Services (DHFS) Organizations shall have a capital asset system (maintained by Bureau of Fiscal Services (BFS) Special Services & Financial Statements (SSFS) and a non-capital asset system (maintained by each organization), which complies with federal regulations, the state self-funded insurance program, and Wisconsin Statutes, sections 16.41 and 46.014 (1). The accounting policies for assets and equipment are detailed in the *Department of Administration (DOA) State Accounting Manual*, Section V, Subsection 12. DHFS Organizations are responsible to assure that capital assets are used in accordance with federal laws and regulations, state statutes, and departmental policies and procedures.

This accounting policy outlines the requirements for the Microsoft Access Capital Asset Database, the standardized Microsoft Access Non-Capital Asset Database, and the Information Technology System called Service Center - Resource Management System (RMS).

A capital asset is defined as any asset (i.e. buildings, equipment, etc.), with an acquisition cost of \$5,000 or more and a useful life of two years or more. All capital assets, including Information Technology (IT) assets with a cost of \$5,000 or more, must be recorded in the Microsoft Access Capital Asset Database.

IT assets, regardless of acquisition cost, must be recorded in RMS. IT assets include personal use equipment such as monitors, desktop CPUs, laptops and printers, as well as network items such as routers, servers and switches.

Non-IT assets with an acquisition cost between \$1,000 and \$4,999 must be recorded on the standardized Microsoft Access Non-Capital Asset Database. These assets include those purchased with a P-card.

Accounting procedures are separately stated in the following APP's:

[Section 8--Capital Assets 1.01](#) Accounting Procedures for Capital Assets
(cost \$5,000 and over)

[Section 8--Capital Assets 1.02](#) Accounting Procedures for Non-Capital
Assets (cost \$1,000 to \$4,999.99)

Section 8–Capital Assets 1.03 Accounting Procedures for IT (Information Technology) Assets

The requirements specified are the minimum acceptable for the capital inventory reports. DHFS Organizations may use more restrictive criteria for property management. Examples of reasons for more restrictive criteria are to comply with specific federal regulations or to maintain control over sensitive assets with a unit cost under \$5,000.

For construction project closeout procedures for capitalization of additions and improvements see Section 8–Capital Assets 2.1 [Capitalization of Fund 490/495 Capital Projects (Construction Projects)]. For year-end reporting procedures see Section 8–Capital Assets 4.0 (Year -End Capital Asset Reporting). For procedures to dispose of state-owned assets see Section 8–Capital Assets 5.0 (Disposition of State-owned Assets).

REFERENCES

Wisconsin Statutes, ss. 16.41 and 46.014 (1)
www.legis.state.wi.us/rsb/stats.html
DOA State Accounting Manual, Section V - Expenditures, Sub-Section 12–
Capital Expenditures (Go to
http://www.doa.state.wi.us/pagesubtext_detail.asp?linksubcatid=458&linkcatid=140&linkid=1
DHFS APP Section 1–Business Standards 2.0 (Standards of Business
Contract)
DHFS APP Section 8–Capital Assets 1.01 Accounting Procedures for
Capital Assets (cost \$5,000 and over)
DHFS APP Section 8–Capital Assets 1.02 Accounting Procedures for
Non-Capital Assets (cost \$1,000 to \$4,999.99)
DHFS APP Section 8–Capital Assets 1.03 Accounting Procedures for IT
(Information Technology) Assets
DHFS APP Section 8–Capital Assets 2.1 (Capitalization of Fund 490/495 Capital
Projects)
DHFS APP Section 8–Capital Assets 4.0 (Year-End Capital Asset Reporting)
DHFS APP Section 8–Capital Assets 5.0 (Disposition of State-Owned Assets)

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